ENVIRONMENTAL IMPACT STATEMENT

MOUNTAIN VIEW CORRIDOR

Tolling Analysis Findings

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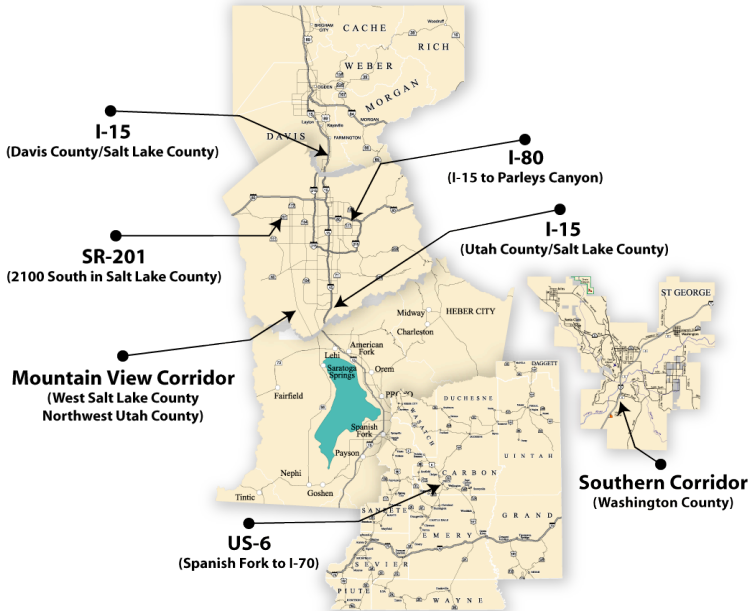
Utah's Transportation Situation



Transportation needs are increasing

$16.5 billion funding shortfall exists

All funding tools being explored

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- **Several factors have contributed to the increasing demand for transportation infrastructure statewide:**
  - Population growth (Utah is the fifth fastest-growing state in the nation)
  - Travel on Utah's highways is growing nearly twice as fast as the population
  - Highway capacity has only marginally increased
- **A $16.5 billion funding shortfall for roads exists**
  - $23 billion in needs - $6.5 billion in revenue = $16.5 billion shortfall
  - This shortfall is now a low estimate, as projected transportation needs continue to increase, construction costs escalate and funding sources remain the same while barely keeping up with maintenance
- **This map shows examples of potential major capacity road projects that may remain unfunded if the $16.5 billion shortfall isn't reduced**
  - Numerous other projects not on this map may remain unfunded as well without a solution

Road Funding Toolbox

Sales tax

Gas tax

Auto sales tax

General fund

Local option sales tax

Vehicle registration fees

Managed Lanes (tolling)

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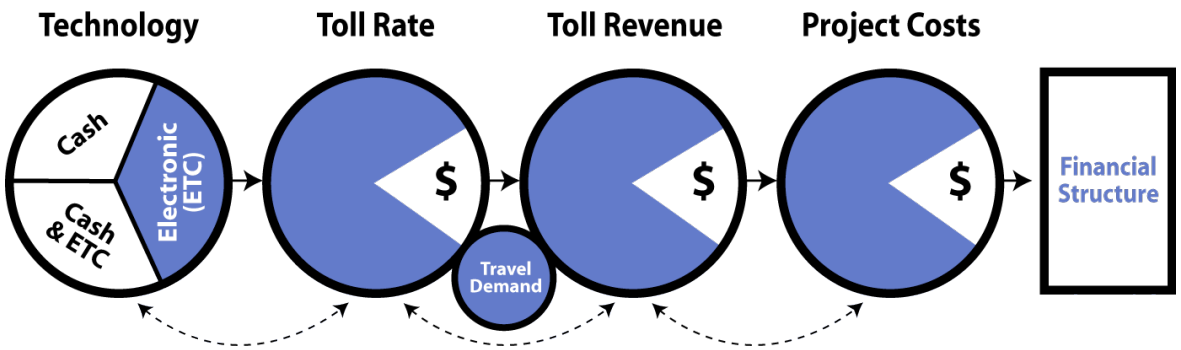
- **Established in 2003, the Legislative Transportation Taskforce studied statewide transportation needs with input from UDOT, UTA and the MPOs**
- **In 2004, the Taskforce identified possible tools to deal with the transportation funding shortfall**
- **The ultimate solution will more likely be a combination of many tools**

Tolling Analysis



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- **The following interactive components determine the level of tolling feasibility:**
  - Technology
  - Toll rates
  - Traffic analysis and toll revenue
  - Project costs and construction phasing
  - Financial structure
- **These components are dependent upon each other, as changing the inputs on one component affects the outcome of another**

Toll Road Approaches

Baseline Toll Scenario

State owned

State developed

State operated

or

State owned

Leased to a private entity
(with continuing state oversight)

Privately developed

Privately operated
(Concession/PPP)

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- **The Mountain View Corridor tolling analysis used a state owned and operated facility as its baseline scenario**

Baseline Toll Scenario

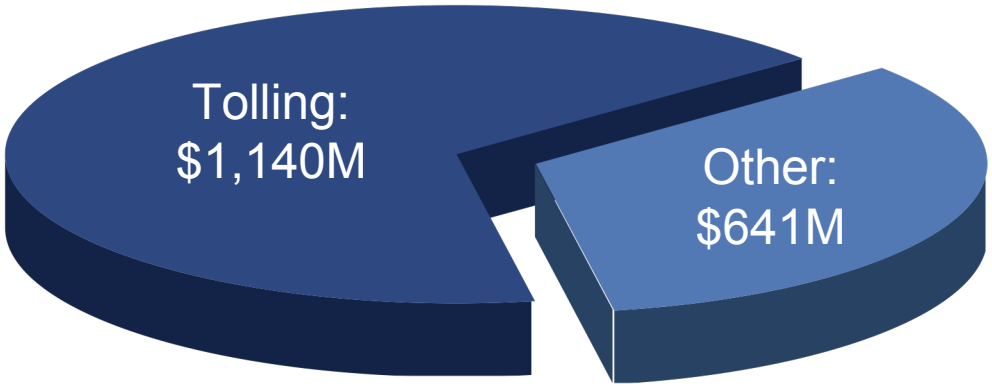
Assumptions

Toll Road Approach:	State owned, developed and operated
Project Description:	• 39.5 miles • Full right-of-way • 15 interchanges • 3 lanes each direction from SR 201 to 11800 South in SL County *- 2 lanes each direction, elsewhere*
Project Cost:	$1,781M
Technology:	100% Electronic Toll Collection
Toll Rate:	11 to 23 cents per mile

- **Project costs are in year-of-expenditure dollars (2009-2012)**
- **Project costs were configured with the following data:**
  - Construction costs
    - Planning
    - Design
    - Right-of-way acquisition
    - Construction
  - Financing transaction costs
    - Bond insurance
    - Transaction fees
  - Debt Service Reserve Fund, Capitalized Interest Fund, and Working Capital
  - Four-year construction schedule; work starts in 2009 and road opens in 2013

Baseline Toll Scenario

Project Cost: $1,781M



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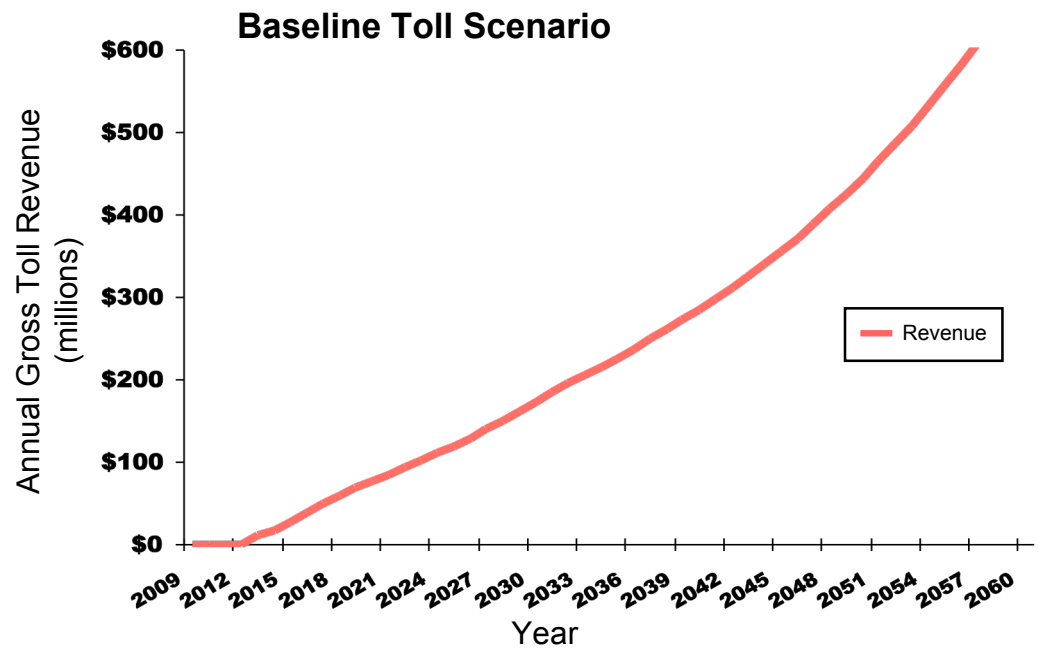
- **The tolling analysis findings indicate at this time that:**
  - Tolling will cover approximately two-thirds of the cost to build the Mountain View Corridor
  - Other funding sources will be needed to fund the remaining cost of construction

Financial Structure
Tolling Revenue



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- **The local travel model was used to predict traffic in the study area**
- **Traffic X toll rate is the basis for gross toll revenue**
- **Revenue growth is attributed to annual increase in traffic and toll rate increases**
- **Toll rate assumes 11 cents per mile during off-peak travel and 23 cents per mile during peak travel times in 2013**
- **Annual toll rate increases approximate Consumer Price Index (CPI)**
- **Revenues are annual (not cumulative)**
- **Glossary of terms**
  - CPI: A measure of the average change in prices over time in a market basket of goods and services

Financial Structure
Project Costs

Baseline Toll Scenario: $1,781M

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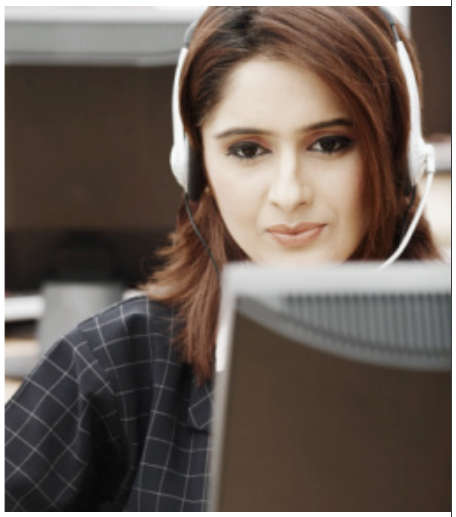
- **Costs are in year-of-expenditure dollars (2009-2012)**
- **Project costs include:**
  - Construction costs
    - Planning
    - Design
    - Right-of-way acquisition
    - Construction
  - Financing transaction costs
    - Bond insurance
    - Transaction fees
  - Debt Service Reserve Fund, Capitalized Interest Fund, and Working Capital
  - Four-year construction schedule; work starts in 2009 and road opens in 2013

Financial Structure
Operations & Maintenance



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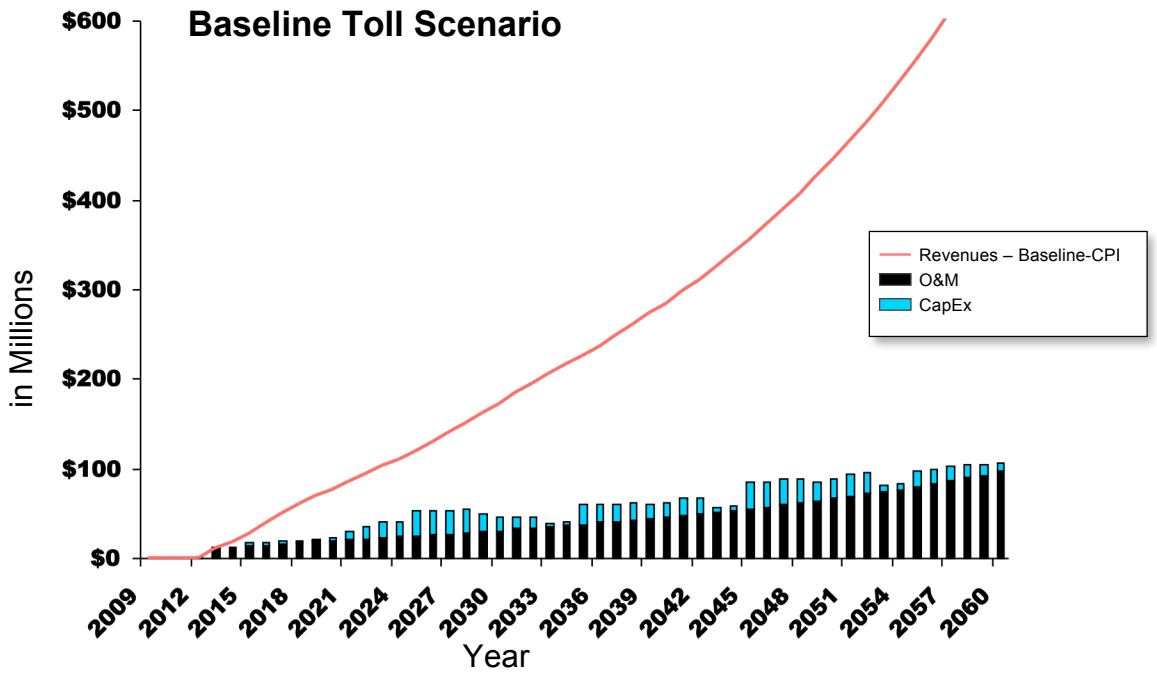
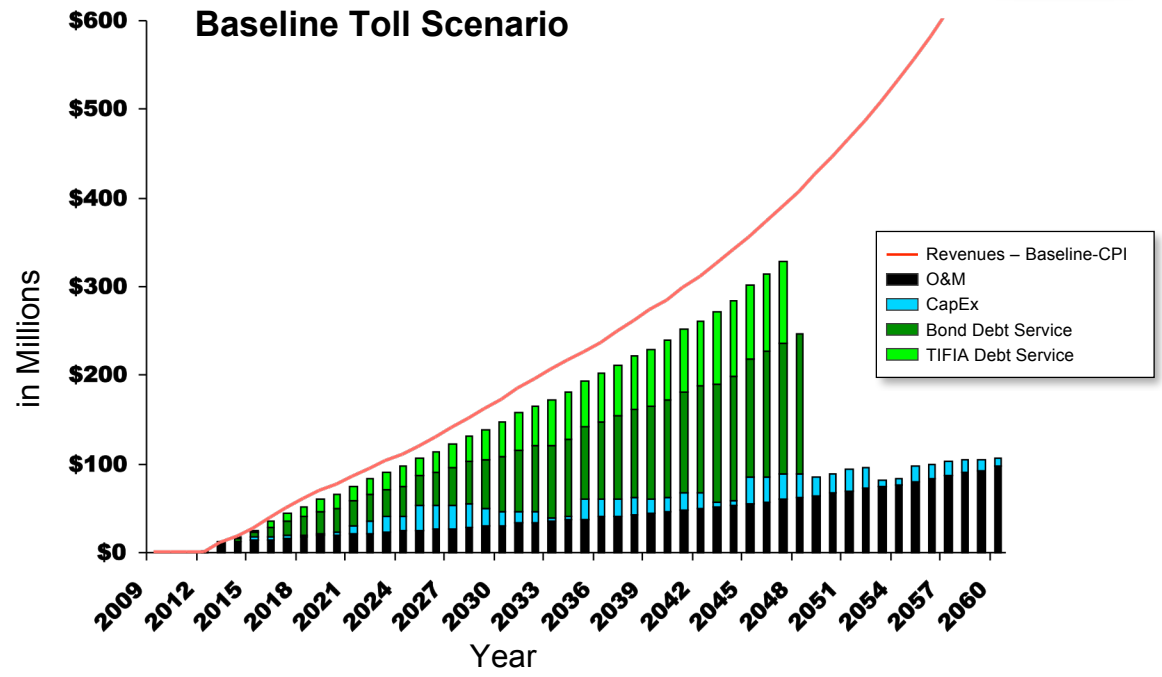
- **The following ongoing annual costs for upkeep and operations were included with the financial structuring:**
  - Maintenance costs
    - Pavement upkeep
    - Bridge repair
    - Snow removal
    - Tolling equipment
  - Tolling operations costs
    - Customer service center
    - Computer equipment
    - Incident Management Team (IMT) crews
    - Violation enforcement
  - Major rehabilitation (CapEx)

Financial Structure
Operations & Maintenance



- **The difference between the tolling revenue curve and the O&M/CapEx costs is the basis for bonding**
- **Glossary of terms**
  - O&M: Operations & Maintenance
  - CapEx: Capital expenditures for major rehabilitations

Financial Structure
Complete



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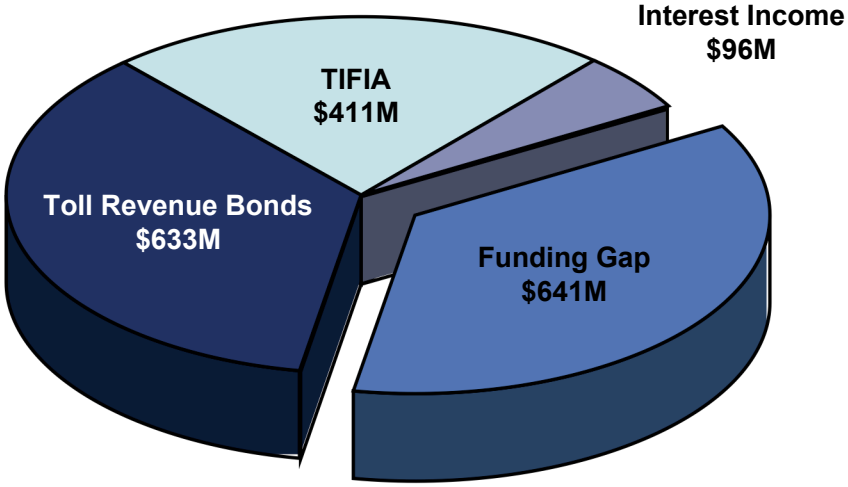
- **Assumes financial close in 2008 and 40-year bonds**
- **Glossary of terms**
  - O&M: Operations & Maintenance
  - CapEx: Capital expenditures for major rehabilitations
  - TIFIA: Transportation Infrastructure Finance and Innovation Act (1998 Federal legislation that allows the US DOT to provide direct subordinate loans to major transportation projects)
  - Debt Service: The series of payments of interest and principal required on a debt over a given period of time

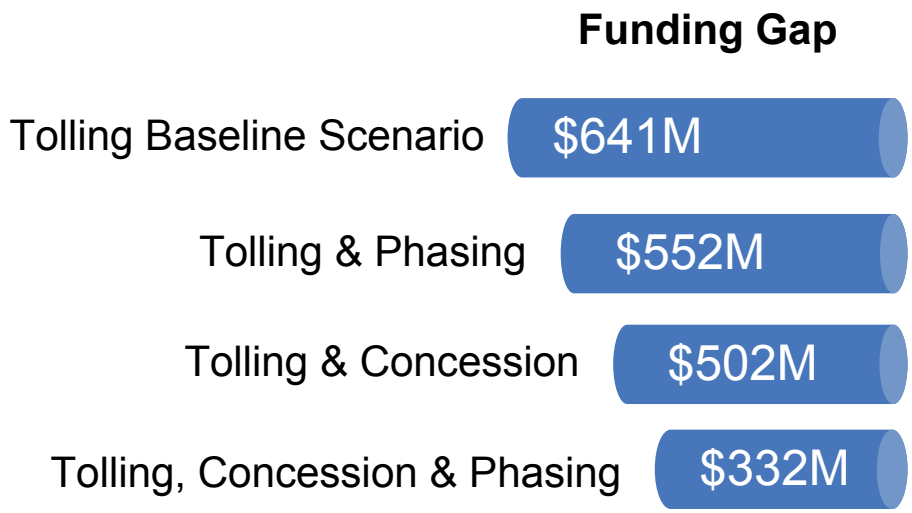
Financial Structure
Sources of Funds



Baseline Toll Scenario: $1,781M

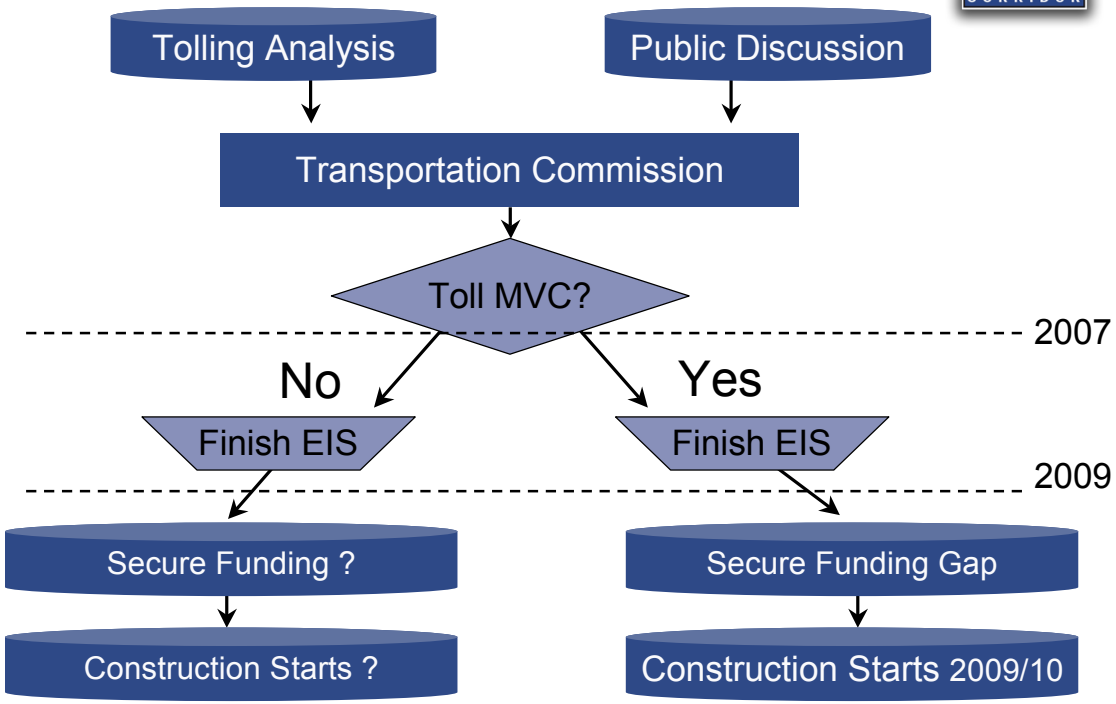
- **Glossary of terms**
  - Funding gap: The difference between tolling project costs and capital raised for tolls

Reducing the Gap
Project Cost: $1,781M



- **Project costs:**
  - Tolling Baseline Scenario: $1,781 M
  - Tolling & Phasing: $1,924 M
  - Tolling & PPP: $1,785 M
  - Tolling, PPP & Phasing: $1,936 M
- **Project costs differ due to different year-of-expenditure**
- **Phasing assumptions:**
  - Phase I: I-80 to 13400 South (2009-2011)
  - Phase II: 13400 South to I-15 (2015-2017)
- **Concession assumes a 99-year lease**
- **Glossary of terms**
  - Concession: A state-owned facility that is leased to a private entity (with continuing state oversight), and is privately developed and operated

Decision Making Process



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Next Steps

Tolling analysis review

Geographic alternative decision

Public hearing

Tolling decision

Record of decision *(final sign-off)*

Updated information on website

(udot.utah.gov/mountainview)